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Memo for: Mr. Lehman, AD/NFAC/SS

Response to   
draft reply to the DCI's comments  
on your recommendations of 22 June.

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11 August 1978

MEMORANDUM FOR: Mr. Richard Lehman, AD/NFAC/SS

1. I understand that [ ] commented on (and corrected) some of the formulations in [ ] draft reply to the DCI's comments. I therefore refrain from adding my comments which parallel theirs. Instead, I offer suggestions which respond in a different way to the DCI's request for a statement of "steps" that are needed to provide adequate warning and a list of "alternative ways...to fulfill such steps."

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2. If you decide that it is desirable to "go back to the drawing board" and offer a broader range of alternatives than Proposal A [ ] and Proposal B (Reynolds), the five options sketched below might provide a basis for discussion.

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3. My own view is that the recommendations contained in your memo of 22 June provide a sound and prudent structure, and I hope you will have an opportunity to state the case directly to the DCI. I would suggest that your response to the DCI's memo of 18 July be framed in a way that will underscore the strengths and advantages of the 22 June recommendations and, at the same time, will bring out the flaws in most of the alternatives that seem even marginally plausible and adequate.

"Statement of what steps need to be accomplished in order to provide adequate warning."

The principal deficiency in the present arrangements for warning is that there are no clearly defined mechanisms and procedures for (a) identifying potential warning developments or situations and for (b) "drawing on the full resources of the intelligence community to produce its best judgment in a situation that may require decision," in the words of the House Permanent Select Committee on Intelligence.

The essential first step, therefore, is to establish an authoritative "point of accountability for warning." This will require both clearly established institutional responsibilities and procedures and a "clear focus of responsibility" in the person of a senior official (either the DCI himself or the DDCI) who commands the authority to "draw on the full resources of the intelligence community."

The second essential step is to define and promote within the community line organizations a clear understanding of the requirements of effective warning and to instill the necessary discipline to meet these demands.

The third step is to establish procedures for regularly challenging prevailing assumptions, assessments, and conventional wisdom and for assuring that line organizations understand the vital importance of the challenge process and are responsive to it.

The fourth step is to establish a clear recognition throughout the community that effective warning depends primarily on the quality of analysis and judgment, not on the effectiveness of collection systems, the dissemination of information, or other requirements that can be met by technological means.

The Staff Report of the House Select Committee's Subcommittee on Evaluation (August 1978) makes the point that "Although it is widely understood throughout the intelligence community that the key to effective warning is good analysis, major improvement efforts have focused elsewhere." The Report finds that "Emphasis on collection and on other problems that can be addressed primarily with technology has overshadowed attention to improving analysis and to minimizing uncertainty in the production process." On the crucial point of analytical techniques and procedures, the Staff Report notes that "Existing mechanisms do not ensure that analysts ask all the pertinent questions or that they confront reasonable alternative hypotheses." It emphasizes the vital importance of ensuring that "the right questions are asked" and recommends a "community-wide effort to provide the 'challenge teams,' training, and methodology support staffs to ensure that analysis is directed at the right questions and that appropriate techniques are used."

These four steps, taken together, constitute the most important criteria for testing the soundness of alternative arrangements for a national warning system.

#### Alternatives to "fulfill such steps"

A. Reliance on existing line organizations, with no special staff dedicated exclusively to threat perception and warning.

1. DD/NFA would be the principal "focus of responsibility and accountability."

2. NFAC would take the lead in identifying and assessing potential warning problems. The appropriate NIO would act as DD/NFA's executive agent in organizing inter-agency assessments and production.

The principal advantage of this arrangement is that it would focus responsibility for warning across the board on line organizations.

Disadvantages would include: excessive decentralization of warning responsibilities that would perpetuate existing deficiencies; the DoD might not view this arrangement as affording adequate attention to its interests and responsibilities at the national level; the manifold duties of the NIOs would sometimes make it difficult for them to devote the kind of sustained attention and efforts that effective warning requires.

The House Subcommittee on Evaluation Staff Report notes that "Even if all the NIOs were equally able to perform this function at the community level, there would be a need for better management mechanisms within each element to continually prod analysts to review assumptions underlying their judgments, to consider alternative hypotheses, and to ensure that the right questions are being asked."

B. Alternative A, with the addition of a small inter-agency staff that would perform systematic second-look, "devil's advocate," and challenge functions.

1. This staff, manned by experienced I&W specialists, would concentrate primary attention on "Big W," but it would also be authorized to bring potential "small W" problems to the attention of DD/NFA and the appropriate NIOs.

2. The staff director would also serve as adviser to the VD/DIA for strategic warning.

Advantages: A full-time threat perception and warning staff would provide stronger assurance that the "right questions" are asked, that prevailing assumptions and preconceptions are regularly challenged, and that the inherent pitfalls in incremental analysis by current intelligence analysts are balanced by long-term trend analysis so essential to warning. DoD representation on the staff would meet some of the interests and responsibilities of DIA and the Services, and the staff's relationship with VD/DIA would provide a channel for DIA's special concerns and interests.

Disadvantages: even if the inter-agency staff had a broader charter and stronger personnel than the present SWS, Alternative B would not remedy the isolation and ambiguous authority which impair SWS effectiveness.

C. Alternatives A or B, with the addition of an NIO for warning. If the NIO/warning is a CIA officer, his assistant should be from DIA, and vice versa.

1. This officer would provide guidance and oversight for the warning functions of line organizations and would advise the DD/NFA and other NIOs on all matters pertaining to warning.

2. The NIO for warning would also oversee the work of the inter-agency threat perception and warning staff; the latter would make its reports and recommendations to the DD/NFA and other NIOs through the NIO/warning.

D. Alternatives A, B, or C, with the addition of a senior interagency warning committee which would convene on an ad hoc basis to examine specific warning developments. This committee would not serve the same functions as the Watch Committee; it would be confined to reviewing warning assessments prepared by the appropriate NIO on the most urgent and potentially significant warning situations. The committee would not meet on lesser or routine warning matters.

Advantages: A senior inter-agency committee would provide an authoritative forum that would either endorse a consensus judgment or underscore clear-cut dissenting views. It would afford a more conspicuous role to DIA, the Services, and other NFIB members than the first three alternatives.

Disadvantage: A senior committee might dilute assessments prepared at the working level by resorting to the kind of bland lowest-common-denominator judgments for which the Watch Committee was sometimes faulted.

E. A National Warning Center, under the DD/NFA or the DDCI, that would be responsible for both Big W and little W.

Advantage: a clear focus of responsibility lodged in a community staff.

Disadvantages:

1. Scope of responsibility would require a staff of at least 25, which would be too expensive in terms of qualified personnel but not large enough to provide adequate treatment of the full range of potential warning developments.

2. A National Warning Center would tend to dilute the warning sensitivity and sense of responsibility of line organizations. It would carry the risks inherent in any quasi-monopoly arrangement--lack of adequate second-look and challenge discipline.

F. The structure recommended in your memo of 22 June.



Director, SWS

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